

*The North Korean Nuclear Crisis and Russia**

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Abstract

This article explores Russian-Korean relations in the context of modern security situation on the Korean Peninsula and in Northeast Asia. This research begins with an overview of issues of the Six-Party Talks. It then discusses efficiency of negotiations in Beijing taking into account political position and diplomatic activity of DPRK and the other five delegations. Political disputes and low level of confidence between the five negotiators undermine the process of peaceful settlement of the North Korean nuclear crisis. Special attention is paid to Russian policy towards the Korean Peninsula, Russian-South Korean and Russian-North Korean relations as well as to new challenges to the international community in Northeast Asia. In conclusion, this article analyzes issues of regional security and prospects for political cooperation in Northeast Asia. It is necessary for six nations to discuss the situation on the Korean Peninsula in the context of regional security and stability in order to find out the final decision for the nuclear crisis on the Korean Peninsula.

Key Words: Russian-Korean relations, Six-Party Talks, North Korea's nuclear crisis, political cooperation, Northeast Asia

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A year has past since the previous round of Six-Party Talks finished in Beijing. It seems trivial remark how difficult were the negotiations with North Korea on nuclear, or indeed any, issue. The history of Six-Party Talks and North Korea's announcement on February 10, 2005 are not cause for optimism.

Nevertheless it would be an over-simplification to believe that North Korea's policy is the only cause of difficulties at the Six-Party Talks. Inadequate levels of trust and understanding between the other five delegations, their different priorities on the Korean Peninsula and in Northeast Asia, and ambiguous evidence of nuclear weapons proliferation and terrorism all negatively influence the multinational negotiations in China's capital.

It is impossible to propose a magic solution to the North Korean crisis in the near future. Nevertheless, the international community must understand the main features of the current crisis on the Korean Peninsula to inform joint international efforts to deal with the nuclear crisis on the Korean Peninsula.

Six-Party Talks at the Crossroads

There was no common value at the third stage of negotiations in Beijing in 2004. The delegations from Russia, China, and to certain extent the Republic of Korea, each believed it possible to take some positive results from the first three rounds of Six-Party Talks, especially the third. Japan and especially the United States were not so optimistic.

Many Russian experts believe it possible to take three main results from the third round of Six-Party Talks:

- All six countries officially agreed with the concept of a denuclearized Korean Peninsula as the main purpose of the multinational negotiations in Beijing;

- Four countries, except the United States, agreed in general to provide economic assistance to North Korea while the United States agreed not to oppose to these efforts;
- There was discussion of the establishment of special subgroups of experts on key issues such as inspections and energy issues. In other words, they took the first steps towards implementing a mechanism of multinational cooperation on the nuclear issue on the Korean Peninsula.¹

Although the negotiations did not resume in Autumn 2004, many experts believed that the six delegations would meet again in Beijing after the US election campaign.

Meanwhile North Korea's announcement on February 10 worsened the situation. Some experts believe this announcement was a warning to the United States, because Kim Jong Il fears an American invasion. The meaning is unclear, the announcement coming after more positive declarations from the Bush Administration at the beginning of this year. (Although at that time U.S. Secretary of State Condoleezza Rice labeled North Korea as one of the "outpost of tyranny."²)

It seems the crisis is a product of the existing Six-Party Talks. This model of negotiation is very specific. The Talks are neither bilateral nor multilateral. The United States and DPRK are the key negotiators, but final agreements can only be reached with support of the "group of four." The priorities and role of the other four nations remain unclear. Many politicians and experts believe their presence improves the political climate, and the four countries serve as observers and guarantors of possible agreements. At the same time, the "four minor negotiators" try to achieve their own goals. This favors Pyong-

¹ Security issues on the Korean Peninsula, Round Table Discussions (In Russian and in Korean), *KorusForum*, No. 24, 2004, pp. 23-53.

² *International Herald Tribune*, February 11, 2005.

yang by allowing room for maneuver and permitting North Korea to play a leading role in the negotiations.

Pyongyang had many reasons to be satisfied with the main trends of the negotiations, but since August 2004, it has preferred to harden North Korea's position and to engage in political battles with the counterparts. North Korea continues to insist on undisputable guarantees of political security for the regime's survival from the United States. Kim Jong Il also wishes to radically change the political image of himself and his country, preferring to be perceived as a respectable politician. Pyongyang does not want to be criticized by foreign politicians, and the mass media and the regime are angry with the title of one of the centers of dictatorship.

The regime's diplomatic efforts are not the whimsy of the North Korean political leadership but part a modern strategy to transform the DPRK with economic reforms that ends the political isolation. To achieve this, the North Korean leadership does not neglect its proven foreign policy of blackmail.

World reaction, especially among the other participants of the negotiations, has differed regarding North Korea's decision to leave the Six-Party Talks. Many experts believe that North Korea's announcement is a traditional diplomatic maneuvering. Optimists recall previous gloomy North Korean declarations, after which negotiations always resumed. This maneuvering may therefore be interpreted as a bluff. In this case, however, North Korea has gone further by:

- Removing UN seals on mothballed nuclear facilities
- Expelling UN nuclear monitors
- Rejecting the Nuclear Nonproliferation Treaty
- Completing the reprocessing of 8,000 spent fuel rods to extract weapons-grade plutonium
- Announcing the manufacture of nuclear weapons and halting its participation in the Six-Party negotiations.³

Although Australian Prime Minister John Howard recently noted the situation “is a quite dangerous,” he also stressed that “there’s an element of bluff; I am sure there’s an element of exaggeration even if she does have some nuclear capacity.”⁴ According to South Korean Foreign Minister Ban Ki-Moon, North Korea’s announcement of February 10 is “a matter of grave concern,” but the issue should be solved “through dialogue and negotiations.”⁵ Unofficially, experts in Seoul consider Pyongyang’s announcement “as nothing especially new.” One senior Foreign Ministry official in Seoul commented that “we shouldn’t put too much weight on it.”⁶ Japanese Prime Minister Junichiro Koizumi said that his country “would use the power of persuasion” to resolve the issue.⁷

Official reactions of Ministers of Foreign Affairs in both Moscow and Beijing were also cautious. Zhan Yulin, Director of the Asia Pacific Studies Institute under the Chinese Academy of Social Science, stressed that North Korea’s decision “will give China difficulties.”⁸ Nevertheless as experts note, “China is likely to be wary of cutting off all its aid out of fear that it might lead to the collapse of the [North Korean] state itself.”⁹

In other words, North Korea’s announcement appears to be preparing for a new round of negotiations. It seems that many politicians, diplomats, and experts agree with this interpretation, believing that North Korea will return to the table. The alternative, as

³ South Korea calls for calm in the nuclear crisis, *International Herald Tribune*, February 11, 2005, <http://www.ihf.com/articles/2005/02/11/asia/web/0211korea.html>.

⁴ *Ibid.*

⁵ <http://news.ft.com/cms/s/d98ec91a-7c2a-11d9-8992-00000e2511c8.html>.

⁶ http://www.koreaherald.co.kr./SITE/DATA/html_dir/2005/02/12/200502120004.asp.

⁷ <http://news.ft.com/cms/s/9a19a94e-7b99-11d9-9af4-00000e2511c8.html>.

⁸ <http://news/ft.com/cms/s/d98ec91a-7c2a-11d9-8992-00000e2511c8.html>.

⁹ *Ibid.*

many observers have stressed, is a conflict that nobody wants.

The approach is consistent with North Korea's traditional policy of blackmail. This model of diplomacy can succeed, if the diplomatic efforts of the five other countries allow Pyongyang to achieve its strategic goals. Pyongyang is more successful than its counterparts, mainly because North Korea focuses on solving the primary issue: a better political, security, and economic environment to ensure regime survival. Meanwhile, the other five negotiators often focus on other issues of more important to them.

Each of these the five countries has officially declared the nonproliferation of nuclear weapons is their main foreign policy priorities. In practice, however, their policies toward the Korean Peninsula are focused on other issues. These countries do not ignore the necessity to solve nuclear proliferation, but practically tackling this problem depends on other issues. In other words, political declarations and real policy differ from each other, which is a common phenomenon in modern international relations. It is not the result of cynical political games, but of inadequate Six-Party Talks.

Thus, it seems that for the Republic of Korea the primary task is increasing inter-Korean political, economic, and humanitarian exchanges. As G. Bulychev notes:

“A new historic period of North-South national reconciliation has begun. It has survived the nuclear crisis and even pressure on Seoul from its allies, and the trend has become (despite the usual ups and downs, especially in 2004) a new factor in the Korean situation at the dawn of the 21st century.”¹⁰

Engagement policy dominates the ROK strategy towards DPRK, and Seoul prefers to save bilateral relations with Pyongyang at all costs. The ROK position on North Korea therefore differs from US

¹⁰<http://www.japanfocus.org/article.asp>.

policy towards DPRK. For example, President Rok Moo-hyun opposes increasing pressure on Pyongyang, which he argues will only aggravate the situation. The South Korean National Security Council refused to accept a US proposal to draft a contingency plan on North Korea in the event of internal turmoil in this country.¹¹

In the first half of the 1990s, Russia was excluded from multinational negotiations on Korea issues. Under the Putin Administration, Russia has focused efforts on increasing its political and economic presence on the Korean Peninsula and in Northeast Asia. Russia is therefore seeking support for development of inter-Korean dialogue and improvement of bilateral relations with both Korean states. Russian policy is very close to South Korean policy in main aspects.

China is disturbed by significant American military presence on the Korean Peninsula and in Northeast Asia, as well as the possible expansion of Japan's military role in East Asia. In concert with Seoul, Beijing cannot agree with new Japanese textbooks "whitewashing and glorifying Japan's past colonization."¹² China, along with South Korea and Russia, has disputes with Japan on territorial issues. As a result, there is strong anti-Japanese sentiment in China and the Republic of Korea. Qiu Wen argues that "under globalization, China has to face tougher challenges rather than sailing into a safe harbor. Its national security situation is getting more severe and the mission of maintaining the security is more difficult."¹³

In turn, Japan pays special attention to growing political and military influence of China in Northeast Asia. The abduction issue is a key concern in Japan and Tokyo has tried to cooperate with Pyongyang on resolving the problem. At the same time, Tokyo is involved in

¹¹ http://www.koreaherald.co.kr/SITE/data/html_dir2005/04/23/200504230036.asp.

¹² http://www.koreaherald.co.kr/SITE/data/html_dir2005/04/12/200504120024.asp.

¹³ *China Daily/Asia News Network*, April 14, 2005.

territorial disputes with all of its Northeast Asian neighbors.

Even the United States, the country most deeply involved in the Korean nuclear crisis, focuses on other issues. For example, Washington has rising concerns about China's growing military power. Although the American government has declared proliferation of nuclear weapon is among its top priorities, the United States did nothing to stop illegal cooperation of its ally Pakistan with North Korea in nuclear technology. There is considerable fluctuation of American policy towards North Korea: ranging from dialogue and the KEDO program under the Clinton Administration to preparations for war under the Bush Administration, despite the character and the policies of Kim Jong Il's regime remaining unchanged. The attention of these countries is focused on other important strategic or tactical issues, rather than on proliferation. As a result, North Korea has much room for diplomatic maneuvering and opportunities to postpone any decision on the nuclear issue.

The developing trend of North Korean policy is dangerous. Both the global and Northeast Asian situations are changing the environment for solving the North Korean nuclear crisis. At each new stage of the crisis, it becomes more difficult to resume negotiations.

The situation is now more difficult than at previous stages of the crisis, as new challenges to the international community emerge:

- The threat of nuclear proliferation: It is unknown whether North Korea possesses nuclear weapons, but it would be dangerous for the world community to accept the existence of a new nuclear power. A number of other countries would soon emerge in a similar manner;
- The threat of terrorism: If the North Korean regime possesses nuclear weapons, the threat of nuclear assault by international terrorists must increase;
- The threat of regional instability: Taiwan may be the next country

to declare nuclear weapons. Japan will also increase its military power to meet the growing regional military threat. As a result, regional arms race will ensue;

- The threat of blackmail policy triumphing: Other countries may decide to resolve domestic economic problems by resorting to nuclear blackmail against the outside world.

These challenges affect not only the US, but undermine regional and global stability.

Russia's Foreign Policy towards the Korean Peninsula

The best strategic resolution of the “Korea Issue” for Russia would be unification of Korea. This view prevails among leading Russian politicians and experts. A 2003 report presented by prominent Russian researchers stressed that the Russian Federation “is interested in united Korea as a peaceful, democratic state, playing [an] independent role in international relations.”¹⁴ At the same time, the vast majority of Russian experts believe that the two Korean states will continue to exist in the long term. G. Boulychev and A. Vorontsov argue that the Roh Moo-hyun Administration’s plan to construct a new national capital south of Seoul is evidence that the Republic of Korea is ready to coexist with DPRK well into the future.¹⁵ The main purpose of the Russia’s diplomacy is therefore active support of good neighborhood relations between the two Koreas as well as peace and security on the Korean Peninsula.

Russia’s policy towards the Korea Peninsula, however, has not been stable during last decade. During the 1990s there were several

¹⁴ “Russia and inter-Korea relations” (in Russian). The Report was edited by V. Medvedev Gorbochev-Fund, Moscow 2003.

¹⁵ *Kommersant*, June 22, 2004.

stages of development Russia-Korea relations that featured increasing political and economic exchanges with the ROK and stagnation of bilateral relations with DPRK.¹⁶ After a long period of policy fluctuation, Moscow has sought a balanced policy towards the two Koreas since the mid-1990s. This type of policy did not begin to reach maturity until the Putin Presidency.

The main features of Russian policy towards the Korean Peninsula in the 21st Century may be characterized as follows:

- Political priorities: Development of broad political and cultural relations between Russia and the Republic of Korea, regular consultations on regional and global issues with the ROK on the basis of a strategic partnership; Political dialogue, cultural, and humanitarian exchanges with the DPRK, support of establishment and improvement of political relations between North Korea and other countries
- Security priorities: Nonproliferation of weapons of mass destruction (WMD), especially nuclear weapons; Reduction of military forces of all kind; Support for the Six-Party Talks as a key mechanism of region dialogue on security and political issues. Russia seeks peaceful coexistence of the two Korean states, as well as in security on the Korean Peninsula in general;
- Economic priorities: Development of economic relations with the Republic of Korea as a strategic partner in Northeast Asia and the Pacific region, support for South Korean investments and business activities in Russia's economy; Development of economic relations between Russia and North Korea on market principles, assistance in

¹⁶ This period of Russia-Korea relations was characterized by the author in previous publications. See A. Fedorovsky, Russia Policy and Interests in the Korean Peninsula in *Russia and Asia: The Emerging Security Agenda*, SIPRI. Edited by G. Chufrin (Oxford University Press 1999). A. Fedorovsky, Russian Role in Constructing a South-North Korean Economic Community, *International Journal of Korean Unification Studies*, Vol. 9, No. 1, 2000.

resolving social problems, support for North Korea's economic cooperation with Northeast Asia; Trilateral or multilateral economic cooperation with both Koreas on various projects.

Russian policy seems logical, therefore, it may be successful. The Putin Administration has vigorously initiated these policies and the President has paid great personal attention to the issues. There are, however, some problems that make it difficult for Russia to balance its policy towards the Korean Peninsula.

Since the beginning of 2000 the new Administration has sought to develop a flexible policy towards the Korean Peninsula and appropriate for President Putin's doctrine of pragmatic foreign policy. According to the new concept of Russian foreign policy adopted in 2000, Russia will develop relations with foreign countries not on ideological base, but on the principles of confidence and mutual benefit. The domestic economic factor is determining the Kremlin's foreign policy as not pro-West or pro-East, but pro-Russian. Russia must therefore resolve its domestic economic problems while taking into account its role in the world. The Putin Administration can no longer base its foreign policy only on the government's economic activity, and it must now consider the interests of Russia's growing private business sector.

Under these conditions Moscow will reexamine its foreign economic policy. On the one hand, Russia seeks new niches in Western markets. On the other hand, one of the main purposes of Russia's modern foreign policy is to return to traditional markets in the Commonwealth of Independent States, in Eastern Europe, and in some Asian and Middle East countries. At the same time, the Kremlin rigidly denies any attempt to restore old type of "special relations" with former allies.

Consequently, Russia will attempt to improve economic relations with such countries as Cuba, Vietnam, and North Korea on the prin-

ciples of market economy. Moscow hopes to increase bilateral trade, investment, and technological cooperation with former Soviet allies by assisting the modernization of the industry and infrastructure originally constructed with Soviet assistance. The results of this policy depend not only on Russia but on the policies of Russia's partners as well. For example, Russia's relations with Vietnam are more fruitful than with other "old partners," mainly because Vietnam successfully reformed and modernized its economy and improved relations with the outside world.

It is therefore difficult to balance Russia's Korean Peninsula policy as South Korea is the more prominent economic partner. South Korea is one of Russia's most important strategic partners for several reasons. Import of goods, investment, and expertise from South Korea is central to the modernization of the Russian economy. Development of economic relations with the ROK is a good way for Russia to diversify its foreign economic relations and to avoid over-dependence on Chinese markets. At the same time, cooperation with the ROK facilitates Russian integration into Northeast Asia. South Korea's positive attitude to Russia's decision to join the WTO is valuable for Russia.

During the 1990s economic ties between the two countries fluctuated. Both sides were unsatisfied with the rate of growth, scale, and quality of bilateral economic relations at that time. Russia and South Korea nevertheless cooperated to improve the situation. Such joint efforts and the improvement of domestic economies in Russia and the ROK were the main reasons for positive trends in economic exchanges between the two countries after 1998. A debt problem has been successfully resolved and bilateral trade reached \$6 billion in 2004 - doubled since 2000. It is necessary also to take into account "gray" trade (Russia's export of fish and oil to the ROK as well as Russia's import of some South Korean machinery and electronics).

According to some estimation, Russia-South Korea trade is about \$10 billion in general.¹⁷ There are also a number of projects in energy, oil refining, manufacturing, electronic industries, and tourism that have been adopted recently by business and government institutions of the two countries. Several billions of dollars will be invested to realize these projects in the near future.¹⁸

At the same time, political dialogue between the two countries is steadily developing constantly. Around a dozen meetings have been held between Russian and South Korean Presidents since the establishment of direct diplomatic relations in 1990. Ministers and high-ranking officials of the two governments, members of Russian and South Korean parliaments, military personnel, and activists of public organizations have all been involved in political exchanges. Science and cultural cooperation is expanding in addition to humanitarian exchanges.

South Korea's engagement policy towards North Korea is welcomed by Russia, in light of Russian and South Korean shared views on security issues and political situations on the Korean Peninsula. Furthermore, according to Moscow, the anti-terrorist struggle is also an area of mutual interest for the two countries.

Prospects for Russian policy towards the ROK in a large scale depend on some important issues. Firstly, the two countries must find new avenues for bilateral cooperation and create adequate political and legal environments. Significant improvement in political and security situation on the Korean Peninsula is necessary for Russia to increase economic cooperation at both bilateral and multilateral levels with both Korean states in such industries as energy and transport. In

¹⁷E. Lobatsevich, The Results of President Roh Moo-hyun's Visit to Moscow, *KorusForum* (In Russian), No. 24, December 2004, p. 60.

¹⁸S. Suslina, New "Dynamic Stage" of Economic Cooperation between Russia and the Republic of Korea in XXI Century, *KorusForum* (In Russian), No. 25, June 2005, p. 129.

order to reach its aims, Russia is ready to support development of inter-Korean political, economic, and humanitarian cooperation. In other words, it is clear for Moscow that in some aspects Russian policy towards South Korea, the Korean Peninsula, and Northeast Asia depends on the situation in North Korea. Under these conditions, Russia seeks market reforms in North Korea, which create better conditions for Russia's trade and economic exchanges both with the ROK and the DPRK.

The other reason for improving bilateral relations with North Korea is political. The Putin Administration has realized the necessity of radical improvement in political relations with Northeast Asian countries. Russia successfully resolved territory disputes with China and has continued negotiations with Japan. It was therefore natural that Moscow paid a particular attention to the Korean Peninsula. The danger of regional conflict, terrorism, and proliferation of nuclear weapons and weapons of mass destruction disturbs Russia's political elite. Moreover, improvement of political relations with the DPRK creates new opportunities for Russian foreign policy on the Korean Peninsula and in Northeast Asia.

Russia and North Korea: Issues and Prospects for Bilateral Relations

Under the Putin Administration, Moscow has sought to develop a more pragmatic policy towards Pyongyang. This policy is determined by the following key principles. Firstly, the Putin Administration opposes the idea of political isolation of Pyongyang or introduction of any political or economic sanctions towards the North Korean regime. Moreover, the Kremlin considers North Korean involvement in processes of international cooperation in Northeast Asia vital for Russia, both Korean states, and their neighbors. Moscow therefore prefers a

predictable political dialogue with Pyongyang.

Secondly, Russia prefers to explore opportunities to develop Russian-North Korean economic cooperation taking into account mutual benefits.

Thirdly, Russia considers it vital that North Korea embraces the ideology of nuclear and WMD nonproliferation. At the same time, Russia opposes any possible confrontations on the Korean Peninsula. Military conflicts or an international invasion of North Korea to effect regime change are contrary to Russian interests in the region.

Finally, Russia supports broad scale inter-Korean relations. Moreover, Russia seeks participation in new trilateral and multilateral economic, social, and environment projects on the Korean Peninsula. This type of economic project would improve the regional economic and political climate close to Russia's border. As a result, North Korea would gradually become a more predictable, market-oriented country, peacefully integrated into the Northeast Asian region.

The Russian strategy coincides with the main principles of South Korea's engagement policy provided by President Kim Dae-jung and his political successor. According to President Roh Moo-hyun's announcement in the Spring of 2005 during the talks with German Parliament President Wolfgang Thierse, South Korea "opposes a sudden regime collapse or change in North Korea," while hoping "for a gradual move" by the DPRK towards a market economy.¹⁹

As the first step to achieving this policy, Russian Foreign Minister Igor Ivanov paid an official visit to Pyongyang in February 2000. It was the first visit by a Russian Foreign Minister to North Korea since Mr. Shevardnadze's visit to Pyongyang in 1990. A new Treaty on Friendship, Cooperation and "Good-Neighborliness" was concluded during the visit. The new treaty created a legal framework for improving

¹⁹ http://www.koreaherald.co.kr/SITE/data/html_dir/2005/04/13/200504130027.asp.

bilateral relations after the end of Cold War epoch. Russia-North Korea relations were “demilitarized” by excluding an article on military alignment and excluding any notion of confrontation with a “third side.” The treaty and Mr. Ivanov’s negotiations with North Korean leader Kim Jong Il symbolized the normalization of bilateral relations between Moscow and Pyongyang as well as providing a basis for political dialogue between the two countries, interrupted a decade ago.

This dialogue continued at Russia-North Korea summits in 2000-02. President Putin’s visit to Pyongyang in July 2000 (a historic first visit by the Head of Russia to Pyongyang), as well as Kim Jong Il’s visits to Russia in 2001 (Moscow) and 2002 (Vladivostok) allowed the two leaders to determine the main principles of Russia-North Korea relations and to improve bilateral economic and cultural exchanges.

The Russian President confirmed to Pyongyang that stabilization of bilateral relations is the long term purpose of the Kremlin’s policy towards the DPRK. Mr. Putin also assured the North Korean leader that Moscow will support development of North Korea’s relations with the outside world as well as any improvement of inter-Korean relations. In turn, the DPRK promised that its “missile program does not threaten anyone, and is for strictly peaceful purposes.” G. Toloraya notes that President Putin’s policy was regarded “as an alternative to the “stick and carrot” tactics vis-à-vis Pyongyang – a policy of dialogue on an equal foot without blackmail and pressure.”²⁰

At the same time, it was agreed that Russia was not able to resume Soviet-style economic cooperation with North Korea. Firstly, Russia has limited financial resources to aid foreign countries. Moreover, the Kremlin would not restore special bilateral economic relations with Pyongyang to support an inefficient North Korean

²⁰G. Toloraya, President Putin’s Korean Policy, *The Journal of East Asian Affairs*, Vol. XVII, No.1, 2003, p. 40.

juche economic policy. Secondly, Russian government organizations could not force private business sectors to trade and cooperate with North Korea.

Private Russian business is not generally interested in trade and cooperation with unpredictable North Korean partners. Russian businessmen are disturbed by issues such as unstable imports from the DPRK, financial problems of North Korean partners, and low quality of North Korean goods. The absence of market institutions in North Korea also limits an opportunity for Russian business to cooperate. Finally, the structure of Russia-North Korea trade is too small to justify development of bilateral economic relations between the two countries. For example, China exports garments, footwear, and food to North Korea, while importing mainly nonferrous metals and seafood. Russia, however, has no commercial interest in such imports and cannot substitute Chinese exports. The only large scale area of mutual cooperation is North Korean labor migration to Russia, especially to the Russian Far East region. Under these conditions, realization of infrastructure and energy projects in the DPRK with government support of the both countries is the most important area of cooperation as it can stimulate Russia-North Korea economic relations in general.

Development of transport infrastructure on the Korean Peninsula is the only project, which has been discussed by Moscow, Pyongyang, and Seoul at trilateral level. Russia is interested in modernizing the North Korean railway network and connecting the Trans-Siberian Railway (TSR) and Trans-Korea Railway (TKR). At the same time, a realization of this project would give Pyongyang a chance to radically increase cooperation with Russia and the ROK as well as with other Northeast Asian countries.

Energy is another prominent sphere of interest for trilateral cooperation between Russia and the two Koreas. The energy deficit is one

of the most important factors paralyzing the North Korean economy. North Korean power stations are in poor condition and urgently require modernization. The DPRK has invited Russia to participate in the refurbishment as 70% of the DPRK's energy is produced by Soviet-built power stations. Accordingly, North Korea has requested the reconstruction of Pyongyang's thermoelectrical power plant and east Pyongyang thermal power plant using Russian assistance. A high-ranking team of managers from GASPROM, led by the president of the company Mr. Miller, visited Pyongyang earlier in 2005 to discuss energy projects with North Korean leaders.

None of these discussions has yet to result in any business deals. It seems that Pyongyang is not ready to be involved in big projects based on market principles. Another important reason is a politically unpredictable situation on the Korean Peninsula.

In other words, there are some opportunities for Russia and North Korea to resume trade, investment, and technology cooperation under new conditions. It means that Russia is ready to support North Korea's transition to a market economy and the process of North Korean integration into Northeast Asian regional economy. In turn, cooperation with the DPRK gives Russia an opportunity to increase foreign trade with the two Koreas as well as to expand its economic presence in Northeast Asia. In the five years since the first Russia-North Korea summit, bilateral relations between the two countries are dominated by growing political exchanges at different levels. meetings, conferences, and negotiations have been undertaken by ministers, mayors of major cities, high-ranking bureaucrats of local governments, and members of research groups.

In spite of joint official declarations, nothing has been achieved in practice. During 2002-04 there were no radical improvements of bilateral economic cooperation. Although trade turnover between Russia and North Korea increased in 2004 by 50% to \$200 million,

economic exchanges are still at very low level. Development of transport projects is frozen and energy cooperation remains under general discussions.

The economic result of five years of direct, high-level Russian–North Korean dialogue is insignificant, and Russia must be unsatisfied with the slow development of bilateral economic relations. It is clear that the improvement of Russia–North Korea relations will depend on North Korean domestic reforms as well as on political and security situation on the Korean Peninsula.

From the Six-Party Talks to Regional Security System

During the last decade, Russia insisted on multinational negotiations on Korea issues, proposing six- or even eight-party talks (with the current participants of six countries, plus the United Nations and IAEA). The Russian Ministry of Foreign Affairs was therefore satisfied with multinational negotiations that began under the model of Six-Party Talks. North Korea’s February 10 announcement therefore exerted significant influence on the Russian political and expert communities.

There is no common point of view among Russian experts on whether North Korea possesses nuclear weapons. For example, the Head of Center for Security Studies at IMEMO, Alexei Arbatov, believes this announcement may be a bluff. At the same time, the Director of the Institute of Strategic Studies, Alexander Konovalov, warns that “if there is no nuclear weapon in North Korea now it will be possible for Pyongyang to have this weapon in the future.” He argues that many Russian experts are certain that Pyongyang has several nuclear devices or may build a number of nuclear devices within six months.²¹

Meanwhile, reactions of some leading Russian politicians were

more rigid than Russian foreign officials' responses. According to the Head of the International Committee of the State Duma, Mr. Kosachev, the North Korean Ministry of Foreign Affairs announcement was "a defeat of the treaty of nonproliferation of nuclear weapons. It is necessary to recognize it." He considered that "North Korea's nuclear weapon is a headache for a mankind... and is a real danger for the [Northeast Asia] region as well as for the DPRK's neighbours."²² A Russian Senator and the Head of the International Committee of Federation Counsel (the Chamber of Russian Parliament), Mr. M. Margelov, characterized the North Korean announcement as "very dangerous." He also stressed that any military operation against North Korea would be inefficient and dangerous.²³ It should be noted that such reaction was expressed by high-ranking parliamentary leaders and members of the ruling party closely connected with the Kremlin.

This tough reaction of Russian officials suggests that North Korea's nuclear political games undermine Russian policy towards the Korean Peninsula and Northeast Asia. During the summit in Bratislava in February 2005, President Putin noted that Russia and the United States have common views on the North Korean nuclear issue. Mr. Putin asserts that proliferation of nuclear and missile technologies must be blocked.²⁴ During the South Korean Defence Minister Yoon Kwang-Ung's visit to Moscow in April 2005, his Russian counterpart Mr. S. Ivanov stressed that Russia would do its best to return North Korea to the Six-Party Talks.²⁵

It will be almost impossible to return to the same stage of negotiation as it was a year ago. Time may be running out for the six

²¹ <http://www.polit.ru/event/2005/10/KNDR.html>.

²² *Ibid.*

²³ <http://www.rian.ru/politics/foreign/20050211/25649030.html>.

²⁴ http://www.ln.mid.ru/brp_4nsf/sps/

²⁵ http://www.mil.ru/releases/2005/04/221508_9514.shtml.

countries to resolve the nuclear issue. According to Georgy Kunadze, “no country supports [North Korea’s] nuclear drive or advocates rewarding blackmail with any degree of conviction. Put differently, everyone seems to be frustrated with behaviors of the DPRK and time is no longer on the North Korean side.”²⁶ Time is not on the other negotiators’ side. Moreover, Pyongyang appears to use a time factor in its own favor, employing it as a bargaining tool.

Time is a very sensitive issue for regional security and stability. For example, time is a very important factor for China’s foreign policy. If denuclearization of Korea is not on the agenda in the near future, there is a real danger of proliferation of nuclear weapons in Northeast Asia, including such countries as Japan and Taiwan. The regional security situation may therefore radically change against Chinese interests. This threat may be one of the sources of China’s ambitious military program. The United States, Russia, and the ROK would be also dissatisfied with this trend.

If denuclearization of the Korean Peninsula is not reached in the near future, a growing security threat will stimulate Japan to promote a revision of defense policy. The Japanese government is also under domestic pressure over the abduction issue. Tokyo has little time to resolve the problem.

For the five countries, especially Russia and the United States, the terrorist threat is a real danger. North Korea’s announcement on February 10 directly opposes the political and security priorities of the other five countries, which are committed to stopping proliferation immediately. Under these conditions there is a basis for closer cooperation between the five countries on the Korean Peninsula’s nonproliferation. In practice, reactions of the five countries may not be equal to North Korea’s challenge. The political situation in Northeast Asia

²⁶Georgy Kunadze, *Reassessing North Korea, Coping with Korea’s Security Challenges*, *North Korean Nuclear Issue*, Vol. 1 (Seoul: IFANS 2004), p. 55.

is difficult to predict. It has evidently deteriorated during the first half of 2005. Russia and Japan are still far from agreement over border disputes, despite the recent Russian flexibility on the two islands. Political relations between Japan and the ROK and especially between Japan and China were undermined significantly. Consequently, the DPRK has exploited the conditions to successfully continue its black-mail policy in the near term.

In turn, growing instability of Northeast Asian regional security is not in US interests. It is unclear how the Bush Administration will respond.

There are four real ways to deal with North Korea:

- Military operations initiated by the United States: This seems unlikely, not least because China, Russia, and the Republic of Korea are opposed to war. Furthermore, regional war is not in Japan's interests. The United States does not yet appear ready to solve the "North Korean nuclear issue" by force. According to US Secretary of State Rice, "the North Koreans have been told by the President of the United States that the United States has no intention of attacking or invading North Korea"²⁷;
- Bilateral negotiations between the United States and North Korea: Mr. Selig S. Harrison, a prominent American specialist on North Korea at the Center for International Policy in Washington, recently said that the United States should consider direct talks with North Korea.²⁸ There are, however, few other experts and politicians in US and other countries, which agree with this proposal. Any bilaterally approved decision can only be tactical, as the interests of other countries must be taken into account. It is therefore difficult to support the assertion that bilateral dialogue between Pyongyang and Washington could be more efficient than multinational negotiations such as the Six-Party Talks. Under the current conditions, this would be a bad choice;

²⁷ http://koreaherald.co.kr/SITE/data/html_dir/2005/02/12/200502120006.asp.

²⁸ *New York Times*, April 17, 2005.

- **Six-Party Talks:** After Pyongyang's announcement, Washington declared it remains committed to the Six-Party Talks and to a peaceful diplomatic resolution of the North Korean nuclear issue. According to State Department officials, the "six-way framework remains the best and most effective way" to persuade North Korea to end its program and to achieve acceptance of the North Korean government. The United States will therefore consult its partners in the six nation talks – South Korea, Japan, China, and Russia who all favor Six-Party negotiations – on how to resume multinational negotiations.

There are serious doubts that this model of negotiations will be efficient if the six countries resume the same arguments. After two years of discussions, the six countries could simply return to negotiations on the same issues, but under more difficult political conditions. A new agenda is required for any fresh negotiations. The primary aim of any negotiations must be examined. Previous negotiations were devoted to denuclearization and survival of North Korea. Under these conditions North Korea's nuclear program was successfully employed as an element of blackmail policy. Any new agreement on North Korean nuclear weapons will be tactical and will not solve the strategic issues. There is little doubt that Kim Jong Il's regime will try in the near future to find new opportunities for its traditional blackmail policy, while the other five countries are suspicious of each other. The hierarchy of aims in the negotiations must therefore be changed.

The main task is not to solve the problem of nuclear weapons on the Korean Peninsula, but to make a denuclearized Korea as an integral element of Northeast Asian regional security. This should comprise not only a political agreement with (as Americans call it) the "rogue nation," but also a mechanism for regional security cooperation. One of the key elements of any security system on the Korean Peninsula and in Northeast Asia is predictable, the market-oriented DPRK in-

tegrated into regional economic cooperation.

This approach proposes the resumption of the Six-Party Talks to persuade North Korea to abandon its nuclear weapon program, in return for national security and economic benefits. Denuclearization of Korea is necessary but not sufficient to secure strategic peace and stability on the Peninsula. The real issue is predictable, peaceful coexistence between the two Koreas, as well as between North Korea, its neighbors, and the US.

Political and security interests not only North Korea and the United States but all six countries in Northeast Asia must be carefully considered. Instability on the Korean Peninsula threatens Northeast Asian stability, while low levels of confidence and trust in the region will also negatively influence the Korean Peninsula situation.

The security agreement must be closely connected with vital interests of all six countries: both Koreas, the US, China, Japan, and Russia. These countries all have their own, sometimes opposed, views on regional security, but must compromise. Otherwise, they will face an unpredictable regional situation. The correlations between security and economic issues should be reviewed. Denuclearization of Korea is not the last, but the first stage of negotiations. Discussions must transit from denuclearization to a security treaty and economic agreement.

Under current conditions the Six-Party Talks appear a political deal unlikely to achieve long term basic economic changes in North Korea. The five countries are faced with a tragic dilemma. On the one hand, millions of North Koreans may face starvation, while the North Korean regime exploits this humanitarian assistance without any obligations from the international community. North Korean realities cannot be ignored by the international community, but assistance rewards a policy of blackmail. Economic assistance must be connected with implementation of North Korean economic policy as a “package deal” between the five countries and the DPRK.

The measures of such a “package deal” should include the following stages:

- Denuclearization of the Korean Peninsula: Support for the civil nuclear program can only occur under the control of UN monitoring. Alternatively, other energy programs may be developed, such natural gas;
- Peaceful coexistence between all Northeast Asian countries: Political guarantees for North Korea, extending adequate obligations to all Northeast Asia
- No support of terrorism in any form: The Six-Party Talks also cannot ignore the Japanese abduction issue;
- Economic assistance to North Korea should be connected to a program of integration of North Korea into Northeast Asian regional economic cooperation under the market principles, including support for:
 - Inter-Korea economic relations
 - Modernization of energy industry
 - Modernization of transport network
 - Development of agriculture and food supply in North Korea.

There is, however, no evidence that the six nations are ready to discuss situations on the Korean Peninsula in the context of regional security and stability. Moreover, Japan’s foreign political relations with China and South Korea have deteriorated significantly. The trust and confidence among Northeast Asian countries is now at a very low level. It is therefore difficult to identify a common basis for an agreement on the North Korean nuclear issue. Under these circumstances it is likely that an old mechanism of the Six-Party Talks be resumed. Negotiations will be lengthy or even collapse. At best, tactical issues may be resolved. New issues may be added to agendas of the new Six-Party Talks, but long term peace and stability on the Korean Peninsula and in Northeast Asia seems a distant prospect.

In this context, Russia must modify its policy. The North Korean

nuclear issue may remain unsolved for a long period, and Moscow must therefore be ready for another scenario. For example, Russia should be ready to transform the Six-Party Talks from negotiations on solely the North Korean issues to discussions on wider regional security prospects by changing the format to the “five-party talks plus North Korea.” The success of such a transition to regional dialogue will largely depend on US policy in Northeast Asia. The greatest challenge facing the Bush Administration will be to support establishment of an international institution equal to the new Northeast Asian reality. The primary purpose of this institution would not be to confront any country (even North Korea), but to overcome the Cold War legacy and stimulate regional security, economic, and humanitarian cooperation. At the same time, the regional community should be ready to develop joint measures to oppose blackmail policy in Northeast Asia.

Modern North Korea policy cannot be an obstacle to discussions on political and security cooperation with participation of other Northeast Asian countries and the United States. If the DPRK is ready to join negotiations on regional issues, it will be welcomed by the five countries. If not, the negotiations must continue not against North Korea, but for regional security that depends not only on one country policy but on the will of the nations of the region to establish a better political and security climate at their border.